Contract Reference Number: PRO 1790

Date:

Agreement for Speciality Design Services

between

London Bus Services Limited

and

Heatherwick Studio Limited

THIS AGREEMENT is dated 2010

PARTIES

(1) **LONDON BUS SERVICES LIMITED** a company registered in England and Wales under the number 3914787 and having a registered office at Windsor House, 42-50 Victoria Street London SW1H 0TL (**Company**).

(2) **HEATHERWICK STUDIO LIMITED** a company registered in England and Wales under the number 04170748 and having its registered office at 356-364 Grays Inn Road, London WC1X 8BH (**Consultant**).

BACKGROUND

The Company has entered into a contract with Wrightbus Limited (the Supplier) for the design, supply and maintenance of a new, iconic double decker bus for use in London, known as the New Bus for London (the New Bus for London).

The Company now wishes to appoint the Consultant as an independent advisor to assist the Company to ensure that the development and evolution of the design of the exterior and interior look and feel of the New Bus for London designed by or on behalf of the Supplier meets the Mayor's requirements for an iconic bus.

The Consultant acknowledges that the Company has relied upon the expertise and skills that the Consultant has identified in its submission of 4 February 2010 in entering into this Agreement.

AGREED TERMS

1. **INTERPRETATION**

1.1 The definitions and rules of interpretation in this clause apply in this Agreement (unless the context requires otherwise).

Capacity: as agent, consultant, director, employee, owner, partner, shareholder or in any other capacity.

Commencement Date: 18 January 2010.

Company's Representative: David Hampson-Ghani.

Confidential Information: information (whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory) relating to the business, products, affairs and finances of the Company or any Group Company or the Supplier for the time being confidential to the Company or any Group Company or the Supplier and trade secrets including, without limitation, technical data (including the design, styling, technical features, underlying technology, manufacturing methods and materials of the New Bus for London), Intellectual Property Rights and

know-how relating to the business of the Company or of any Group Company or any of its or their business contacts, including in particular (by way of illustration only and without limitation) the Supplier and the Supplier's sub-contractors or suppliers or other organisations assisting the Supplier such as Siemens, Queen's University Belfast, ZF, Revolve, Altair Nano and Ricardo.

Engagement: the engagement of the Consultant by the Company on the terms of this Agreement.

Final Design Intent Materials: all final records, reports, documents, papers, drawings, designs, transparencies, photos, graphics, logos, typographical arrangements, software and all other materials in whatever form in respect of a specific design element or aspect of the New Bus for London which are based on one or more Proposed Design Outlines, including but not limited to hard copy and electronic form, prepared by the Consultant in the provision of the Services and selected by the Company in accordance with section 8 of Schedule 1 (selection process).

Group Company: Transport for London, the Company, any company of which it is a Subsidiary (its holding company) and any Subsidiaries of the Company or of any such holding company.

Insurance Policies: commercial general liability insurance cover, professional indemnity insurance cover, employer's liability insurance cover and public liability insurance cover.

Intellectual Property Rights: patents, rights to Inventions, copyright and related rights (including moral rights), trade marks, trade names and domain names, rights in get-up, rights in goodwill or to sue for passing off, rights in designs, rights in computer software, data and database rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world.

Key Person: means Thomas Heatherwick.

Pre-Contractual Statement: any undertaking, promise, assurance, statement, representation, warranty or understanding (whether in writing or not) of any person (whether party to this Agreement or not) relating to the Engagement other than as expressly set out in this Agreement or any documents referred to in it.

Proposed Design Outlines: records, reports, papers, drawings, designs, transparencies, photos, graphics, logos, typographical arrangements, software and all other materials in whatever form,

including but not limited to hard copy and electronic form containing proposed design solutions which are submitted to the Company by the Consultant in accordance with section 8 of Schedule 1 (selection process).

Services: the services described in Schedule 1.

Subsidiary: in relation to a company (a holding company or a person acting on behalf of a holding company) means a subsidiary (as defined in section 1159 of the Companies Act 2006) and any other company which is a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company.

Termination Date: the date of termination of this Agreement howsoever arising.

1.2 The headings in this Agreement are inserted for convenience only and shall not affect its construction.

1.3 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.

1.4 A reference to one gender includes a reference to the other gender and reference to the singular includes the plural and vice versa.

1.5 The Schedules to this Agreement form part of (and are incorporated into) this Agreement.

1.6 In the event of any conflict between the provisions of the body of this Agreement and the Schedules the provisions of the body of this Agreement shall prevail.

2. TERM OF ENGAGEMENT

2.1 The Company shall engage the Consultant and the Consultant shall provide the Services using the Key Person and supported by other personnel of the Consultant as required on and from the Commencement Date and on the terms of this Agreement. The Consultant shall procure that the Key Person and all of the Consultant's personnel act in compliance at all times with the terms of this Agreement.

2.2 The Engagement shall commence on the Commencement Date and shall continue unless and until terminated:

(a) as provided by the terms of this Agreement; or

(b) by either party giving to the other not less than two weeks' prior written notice.

2.3 In entering into this Agreement, the Company has relied upon the Consultant's representation that it is an independent company, business or partnership carrying on a business on its own account and that it, and the Key Person, has the skills, experience and qualifications to enable it to perform the Services to the standards specified and required by the Company.

3. **DUTIES**

3.1 During the Engagement the Consultant shall and shall procure that the Key Person shall:

(a) provide the Services in accordance with all relevant laws and regulations and with the care, skill and diligence reasonably to be expected of appropriately qualified and experienced professional persons with appropriate skill and experience in iconic design;

(b) unless prevented by ill health or accident, devote an appropriate amount of time in accordance with the Consultant's submission dated 4 February 2010 to the carrying out of the Services together with such additional time if any as may be necessary for their proper performance; and

(c) promptly give to the directors of the Company, the Company's Representative or any such other person as they may identify all such information and reports as they may reasonably require in connection with matters relating to the provision of the Services.

3.2 If the Consultant is unable to provide the Services described in the Consultant's submission dated 4 February 2010 due to illness or injury, it shall advise the Company's Representative of that fact as soon as reasonably practicable and shall provide such evidence of such illness or injury as the Company's Representative may reasonably require. For the avoidance of doubt, no fee shall be payable in accordance with clause 4 in respect of any period during which the Services are not provided.

3.3 The Consultant shall use reasonable endeavours to ensure that it is available at all times on reasonable notice to provide such assistance or information as the Company may require.

3.4 Unless it has been specifically authorised to do so by the Company's Representative in writing, the Consultant shall not:

(a) have any authority to incur any expenditure in the name of or for the account of the Company or the Supplier; or

(b) hold himself out as having authority to bind the Company or the Supplier.

3.5 The Consultant shall comply with all reasonable standards of safety and comply with the Company's and the Supplier's health and safety procedures from time to time in force at the premises where the Services are provided and report to the Company and the Supplier as appropriate any unsafe working conditions or practices.

3.6 Subject to the terms of clause 6, the Consultant may use another person, firm or company to perform any administrative, clerical or secretarial functions which are reasonably incidental to the provision of the Services provided that the Company and the Supplier will not be liable to bear the cost of such functions.

3.7 The Consultant acknowledges that the Company has already entered into a contract with the Supplier for the design and delivery of the New Bus for London and the Consultant shall not provide the Services or do any other thing with the intention, effect, or likely effect of placing the Supplier in breach of its obligations under that contract or, without prejudice to the generality of the foregoing, non-compliance with the specification and requirements for the New Bus for London including, without limitation, its specification, its delivery timetable, its performance and/or its costs.

3.8 The Consultant shall not be liable for any delay to the extent that such delay is caused by an act or omission of the Company and/or the Supplier.

4. FEES

4.1 The fees for the Services shall be as set out in Schedule 3.

4.2 In consideration of the proper provision of the Services during the Engagement, the Company shall within 30 days of receipt of an invoice submitted in accordance with this clause 4, pay to the Consultant a consultancy fee in accordance with the fees set out in Schedule 3.

4.3 The Consultant shall submit to the Company an invoice on each of the relevant billing dates set out in Schedule 3 which gives details of the Services which it has provided and the amount of the fee payable (plus VAT, if applicable). Invoices shall be addressed to:

London Bus Services Limited
Accounts Payable
14 Pier Walk
London
SE10 0ES

4.4 Prior to submitting an invoice the Consultant shall liaise with the Company's Representative to agree the fees to be charged in accordance with Schedule 3.

4.5 The Company shall be entitled to deduct from the fees (and any other sums) due to the Consultant any sums that the Consultant may owe to the Company at any time.

5. OTHER ACTIVITIES

Nothing in this Agreement shall prevent the Consultant from being engaged, concerned or having any financial interest in any Capacity in any other business, trade, profession or occupation during the Engagement provided that:

(a) such activity does not cause a breach of any of the Consultant's obligations under this Agreement; and

(b) the Consultant shall not engage in any such activity if it relates to a business which is similar to or in any way competitive with the business of any Group Company or the Supplier without the prior written consent of the Company's Representative.

6. CONFIDENTIAL INFORMATION AND ANNOUNCEMENTS

6.1 The Consultant acknowledges that in the course of the Engagement it will have access to Confidential Information. The Consultant has therefore agreed to accept the restrictions in this clause 6.

6.2 The Consultant shall not (except in the proper course of its duties) either during the Engagement or at any time after the Termination Date, use or disclose to any person, firm or company (and shall use its best endeavours to prevent the publication or disclosure of) any Confidential Information. This restriction does not apply to:

(a) any use or disclosure authorised by the Company or required by law; or

(b) any information which is already in, or comes into, the public domain otherwise than through the Consultant's unauthorised disclosure.

6.3 All documents, manuals, hardware and software provided for the Consultant's use by the Company or the Supplier, and any data or documents (including copies) produced, maintained or stored on the Consultants computer systems or other electronic equipment (including mobile phones provided by the Consultant), remain the property of the Company or the Supplier as appropriate.

Save as provided below, the Consultant shall not advertise or announce the existence of this Agreement or that it is providing the Services except as provided expressly in this Agreement or without the prior written consent of the Company and in the event that the Company agrees to such advertisement or announcement the Company shall have the right to approve any advert of announcement before it is made.

6.4 The Consultant shall be credited as being associated with or supporting the design and styling of the New Bus for London, as the Company's "collaborative design partner" in all media activity undertaken by the Company including information in press releases, websites and marketing literature used to communicate and publicise the project.

6.5 The Consultant shall be included in all promotional and press events organised by or on behalf of the Company for the launch and promotion of the New Bus for London. The Consultant shall receive such number of invitations as it may reasonably request to any press, promotion or launch activity by or on behalf of the Company in connection with the New Bus for London. In addition the Consultant shall be entitled to use, copy and communicate to the public (including use on its website) promotional and press images, graphics, photography and promotional literature relating to the New Bus for London and its related designs, and otherwise to publicise on its own account its involvement in relation to the design of the New Bus for London by agreement with the Company such agreement not to be unreasonably withheld or delayed.

6.6 The Consultant shall provide artistic guidance for photography of the New Bus for London for events and publications.

6.7 The Consultant will be given full and free of charge access to and use (for its own business purposes) of all press photography taken by or behalf of the Company.

6.8 In the event of negative publicity in relation to the design of the New Bus for London, the Consultant shall be consulted and kept informed in relation to any press release, announcement or other publication or statement in relation thereto.

6.9 If required by the Supplier, the Consultant shall, and shall procure that the Key Person shall, enter into a separate confidentiality agreement with the Supplier in relation to the Supplier's Confidential Information prior to accessing the Supplier's premises or Confidential Information.

7. INTELLECTUAL PROPERTY

7.1 The Consultant hereby assigns, and will procure that the Key Person (and any other personnel used in the performance of the Services) assigns, with full title guarantee to the Company all existing and future Intellectual Property Rights in those Final Design Intent Materials relating to the exterior of the New Bus for London and all materials

embodying such rights to the fullest extent permitted by law. Insofar as they do not so vest automatically by operation of law or under this Agreement, the Consultant holds legal title in such rights and inventions on trust for the Company. Any Proposed Design Outlines which are not selected pursuant to section 8 of Schedule 1 and which do not form any part of the Final Design Intent Materials shall remain the property of the Consultant.

7.2 Without prejudice to the provisions of clause 7.1 above, the Consultant hereby grants a licence and will procure that the Key Person (and any other personnel used in the performance of the Services) grants a licence to the Company and the Supplier to use all Final Design Intent Materials in the design, development and manufacture of the New Bus for London, such licence to be irrevocable, transferable, perpetual and royalty-free.

7.3 The Consultant undertakes and will procure that the Key Person (and any other personnel used in the performance of the Services) undertakes:

(a) to notify to the Company in writing of full details of when the Proposed Design Outlines are ready for consideration;

(b) to keep confidential details of all Proposed Design Outlines until the New Bus for London is launched by the Company and to keep confidential details of all Final Design Intent Materials;

(c) whenever requested to do so by the Company and in any event on the termination of the Engagement, promptly to deliver to the Company all correspondence, documents, papers and records on all media (and all copies or abstracts of them), recording or relating to any part of the Final Design Intent Materials relating to the exterior of the New Bus for London which are in its possession, custody or power;

(d) not to register nor attempt to register any of the Intellectual Property Rights in the Final Design Intent Materials, unless requested to do so by the Company; and

(e) to do all acts necessary to confirm that absolute title in all Intellectual Property Rights in the Final Design Intent Materials relating to the exterior of the New Bus for London has passed, or will pass, to the Company.

7.4 The Consultant warrants to the Company that:

(a) neither it or the Key Person has given and will not give permission to any third party to use any of the Final Design Intent Materials relating to the exterior of the New Bus for London, nor

any of the Intellectual Property Rights in the Final Design Intent Materials relating to the exterior of the New Bus for London;

(b) neither it or the Key Person is aware of any use by any third party of any of the Final Design Intent Materials relating to the exterior of the New Bus for London or Intellectual Property Rights in the Final Design Intent Materials relating to the exterior of the New Bus for London; and

(c) the use of the Final Design Intent Materials relating to the exterior of the New Bus for London or the Intellectual Property Rights therein by the Company will not infringe the rights of any third party.

7.5 The Consultant waives, and will procure that the Key Person (and any other personnel used in the performance of the Services) waives, any moral rights in the Final Design Intent Materials relating to the exterior of the New Bus for London to which it is now or may at any future time be entitled under Chapter IV of the Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction, including (but without limitation) the right to be identified, the right of integrity and the right against false attribution, and agrees not to institute, support, maintain or permit any action or claim to the effect that any treatment, exploitation or use of such Final Design Intent Materials relating to the exterior of the New Bus for London or other materials, infringes the Consultant's or Key Person's moral rights (and those of any other personnel used in the performance of the Services).

7.6 The Consultant acknowledges that no further fees or compensation other than those provided for in this Agreement are due or may become due to the Consultant in respect of the performance of its obligations under this clause 7.

7.7 The Consultant undertakes, and will procure that the Key Person (and any other personnel used in the performance of the Services) undertakes, at the expense of the Company, at any time either during or after the Engagement, to execute all documents, make all applications, give all assistance and do all acts and things as may, in the opinion of the Company or the Company's Representative, be necessary or desirable to vest the Intellectual Property Rights in, and to register them in, the name of the Company and to defend the Company against claims that works embodying Intellectual Property Rights or Inventions infringe third party rights, and otherwise to protect and maintain the Intellectual Property Rights in the Final Design Intent Materials relating to the exterior of the New Bus for London.

7.8 The Consultant hereby irrevocably appoints the Company to be its attorney to execute and do any such instrument or thing and generally to use its name for the purpose of giving the Company or its nominee the benefit of this clause 7 and acknowledges in favour of a third party

that a certificate in writing signed by any director or the secretary of the Company that any instrument or act falls within the authority conferred by this clause 7 shall be conclusive evidence that such is the case.

7.9 For the avoidance of doubt, the Consultant shall procure that the Key Person (and any other personnel) performing the Services (or part of them) contract with the Consultant that any Intellectual Property Rights arising out of or relating to Final Design Intent Materials relating to the exterior of the New Bus for London pursuant to this Agreement shall be assigned with full title guarantee to the Company (or its nominee) and that those persons shall have no title, rights or interests whether legal or beneficial in any of such Intellectual Property Rights and, in relation to any copyright work created, that all moral rights shall be waived by the creator.

7.10 The Consultant shall indemnify, keep indemnified and hold harmless the Company and each Group Company and the Supplier from and against all actions, claims, demands, costs, charges or expenses (including legal costs on a full indemnity basis) that arise from or are incurred by Company or a Group Company or the Supplier by reason of any infringement or alleged infringement of any Intellectual Property Rights of any person arising out of the use by the Company or a Group Company or the Supplier of the Consultant's Intellectual Property Rights or any Intellectual Property Rights arising from and assigned pursuant to this Agreement (or any of them) or anything directly arising from the provision of the Services and from and against all costs and damages of any kind which the Company or a Group Company or the Supplier may incur in or in connection with any actual or threatened proceedings before any court or arbitrator.

7.11 Notwithstanding the other provisions of this clause 7, the Consultant shall own any models and prototypes it develops in the course of providing the Services. All such models and prototypes shall be regarded as Confidential Information and shall only be used by the Consultant for internal purposes unless specifically agreed in writing in advance by the Company. Notwithstanding the foregoing and for the avoidance of doubt, any and all Intellectual Property Rights in such models and prototypes shall belong to the Company in accordance with this clause 7.

The Consultant shall co-operate with the Company and the Supplier in making any models or prototypes available for publicity or promotional purposes for reasonable periods, subject to the Company or the Supplier meeting any reasonable additional costs incurred by the Consultant in doing so.

7.12 The Consultant acknowledges the confidential provisions relating to intellectual property in the contract between the Company and the Supplier, a copy of the relevant provisions of which is provided in

Schedule 4 to this Agreement, which the Consultant shall ensure are kept confidential at all times. The Consultant:

(a) shall, save as expressly set out in this Agreement have no Intellectual Property Rights that conflict with the rights of the Company and the Supplier set out in Schedule 4;

(b) warrants that, save as expressly set out in this Agreement it shall not (and shall procure that neither the Key Person or any of its personnel) do or omit to do anything which could affect or dilute the Intellectual Property Rights of either the Company or the Supplier set out in Schedule 4; and

(c) acknowledges that any Intellectual Property Rights which arise from modifications, alterations or changes to the Company's or the Supplier's Intellectual Property Rights shall vest in the Company or the Supplier, as applicable.

7.13 Not later than 18 September 2010, the Consultant and the Company shall meet to negotiate the terms on which the Company may take a licence to use in respect of any bus (other than the New Bus for London) operating for or under contract to Transport for London or any company in the Transport for London group of companies any Final Design Intent Materials relating to the interior of the New Bus for London. For avoidance of doubt such terms may include a reasonable single payment and/or a reasonable royalty. The terms of such licence shall be recorded as a variation to this Agreement.

7.14 The terms of the licence referred to in clause 7.13 are incorporated into this Agreement by variation and are as follows, without prejudice to any other provision of this Agreement:

7.14.1 where any Final Design Intent Materials relating to the interior of the New Bus for London are used in any bus (other than the New Bus for London) operating for or under contract to Transport for London or any company in the Transport for London group of companies, the Company shall pay to the Consultant a maximum royalty of £750 per bus in which such Final Design Intent Materials are used provided that such royalties shall not exceed £400,000 in any one calendar year. The actual royalty payable per bus will be discussed and agreed in good faith and shall be dependent upon the extent of use of the Final Design Intent Materials and the significance of that design element to the interior of the vehicles (subject always to a cap of £750 per bus).

7.14.2 the royalty referred to in clause 7.14.1 (if incurred) shall be applied from the date of launch of the New Bus for London and for a period of 15 years and in the event that such royalties reach £2m (two million pounds) ("Royalty Sum") then all existing and future Intellectual Property Rights in the Final Design Intent Materials relating to the interior of the New Bus for London shall be assigned to the Company with full title guarantee along with all materials embodying such rights to the fullest extent permitted by law ("the Interior IPR Assignment"). The Consultant shall procure that the Key Person (and any other personnel used in the performance of the Services) assigns such rights necessary to give effect to the foregoing.

7.14.3 in the event that the royalties paid under clause 7.14.1 do not reach £2million within 15 years then the provisions of this Agreement shall renew for further periods of 5 years until such time as the Royalty Sum has been paid. Notwithstanding the foregoing, no royalties shall be payable for the use of any Final Design Intent Materials relating to the interior of the New Bus for London where the Intellectual Property Rights in such materials have expired or lapsed.

7.14.4 in the event of the Interior IPR Assignment under clause 7.14.2:

(a) the provisions of clause 7.5 (waiver of moral rights), clause 7.7 (vesting of Intellectual Property Rights) and clause 7.9 (Key Person provisions) shall apply equally to the Final Design Intent Materials relating to the interior of the New Bus for London and such rights granted under those clauses shall be exercisable by or for the benefit of the Company from the date of assignment; and

(b) any and all Final Design Intent Materials may be used as described in clause 7.14.1 without any further payment to the Consultant.

17.14.6 in the event of termination of this Agreement in accordance with clause 9.1 then the Interior IPR Assignment at clause 7.14.2 and the provisions of clause 7.14.4 shall be effective immediately irrespective of the royalties paid at the date of such termination.

8. INSURANCE AND LIABILITY

8.1 The Consultant shall be liable for any loss, liability or costs (including reasonable legal costs) incurred by the Company in connection with the provision of the Services and shall accordingly maintain in force during the Engagement full and comprehensive Insurance Policies in respect of the provision of the Services.

8.2 For the duration of this Agreement and for six years thereafter, the Consultant shall ensure that the Insurance Policies are taken out with reputable insurers acceptable to the Company and that the level of cover and other terms of insurance are acceptable to and agreed by the Company.

8.3 The Consultant shall on request supply to the Company evidence of such Insurance Policies and evidence that the relevant premiums have been paid.

8.4 The Consultant shall notify the insurers of the Company's interest and shall cause such interest to be noted on the Insurance Policies together with a provision to the effect that, if any claim is brought or made by the Company against the Consultant in respect of which the Consultant would be entitled to receive indemnity under any of the Insurance Policies, the relevant insurer will indemnify the Company directly against such claim and any charges, costs and expenses in respect of such claim. If the relevant insurer does not so indemnify the Company, the Consultant shall use all insurance monies received by him to indemnify the Company in respect of any claim and shall make good any deficiency from its own resources.

8.5 The Consultant shall comply with all terms and conditions of the Insurance Policies at all times. If cover under the Insurance Policies shall lapse or not be renewed or be changed in any material way or if the Consultant is aware of any reason why the cover under the Insurance Policies may lapse or not be renewed or be changed in any material way, the Consultant shall notify the Company without delay.

9. TERMINATION

9.1 Notwithstanding the provisions of clause 2.2, the Company may terminate the Engagement and this Agreement with immediate effect with no liability to make any further payment to the Consultant (other than in respect of amounts accrued prior to the Termination Date) if at any time the Consultant or the Key Person:

(a) is guilty of any gross misconduct affecting the business of the Company or any Group Company or the Supplier; or

(b) commits any serious or repeated breach or non-observance of any of the provisions of this Agreement or refuses or neglects to

comply with any reasonable and lawful directions of the Company and for the avoidance of doubt, any breach of the obligations in clauses 3, 6 and 7 shall be a serious breach of the provisions of this Agreement entitling the Company to terminate; or

(c) is convicted of any criminal offence (other than an offence under any road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed); or

(d) is in the reasonable opinion of the Company or the Company's Representative negligent and incompetent in the performance of the Services; or

(e) becomes insolvent, is subject to an administration order or is declared bankrupt or makes any arrangement with or for the benefit of its creditors or has a county court administration order made against him under the County Court Act 1984; or

(f) is incapacitated (including by reason of illness or accident) from providing the Services in a timely manner that enables the Supplier and the Company to achieve the milestones included in the contract between the Company and the supplier for the New Bus for London (this sub clause 9.1 (f) is without prejudice to clause 3.7) or

(g) is guilty of any fraud or dishonesty or acts in any manner which in the opinion of the Company or the Company's Representative brings or is likely to bring the Consultant or the Company or any Group Company or the Supplier into disrepute or is materially adverse to the interests of the Company or any Group Company or the Supplier.

9.2 The rights of the Company under clause 9.1 are without prejudice to any other rights that it might have at law to terminate the Engagement or to accept any breach of this Agreement on the part of the Consultant as having brought the Agreement to an end. Any delay by the Company in exercising its rights to terminate shall not constitute a waiver thereof.

10. OBLIGATIONS UPON TERMINATION

10.1 On the Termination Date the Consultant shall:

(a) immediately deliver to the Company all documents, books, materials, records, correspondence, papers and information (on whatever media and wherever located) relating to the business or affairs of any Group Company, any keys, and any other property of any Group Company, and their business contacts, including the Supplier which is in its possession or under its control;

(b) irretrievably delete any information relating to the business of any Group Company, and their business contacts, including the Supplier stored on any magnetic or optical disk or memory and all matter derived from such sources which is in its possession or under its control outside the premises of the Company and their business contacts, including the Supplier; and

(c) provide a signed statement that it has complied fully with its obligations under this clause 10.

10.2 The termination or expiry of this Agreement shall not prejudice or affect any right, power or remedy which has accrued or shall accrue to either party prior to or after the Termination Date. Without prejudice to the foregoing, the provisions of clauses 1, 6, 7, 8, 10, 12, 13, 16 and 17 and any other clauses or schedules that are necessary to give effect to those clauses shall survive termination or expiry of this Agreement. In addition, any other provision of this Agreement which by its nature or implication is required to survive the termination or expiry of this Agreement shall do so.

11. STATUS

11.1 The relationship of the Consultant and the Key Person to the Company will be that of independent contractor and nothing in this Agreement shall render him an employee, worker, agent or partner of the Company and the Consultant shall not hold himself out as such.

11.2 This Agreement constitutes a contract for the provision of services and not a contract of employment and accordingly the Consultant shall be fully responsible for and shall indemnify the Company or any Group Company for and in respect of:

(a) any income tax, National Insurance and Social Security contributions and any other liability, deduction, contribution, assessment or claim arising from or made in connection with the performance of the Services, where such recovery is not prohibited by law. The Consultant shall further indemnify the Company against all reasonable costs, expenses and any penalty, fine or interest incurred or payable by the Company in connection with or in consequence of any such liability, deduction, contribution, assessment or claim;

(b) any liability arising from any employment-related claim or any claim based on worker status (including reasonable costs and expenses) brought by the Consultant against the Company arising out of or in connection with the provision of the Services.

11.3 The Company may at its option satisfy such indemnity (in whole or in part) by way of deduction from any payments due to the Consultant.

12. **NOTICES**

Any notice given under this Agreement shall be in writing and signed by or on behalf of the party giving it and shall be served by delivering it personally, or sending it by pre-paid special delivery to the relevant party at (in the case of the Company) its registered office for the time being with a copy to the Company's Representative and (in the case of the Consultant) its last known address. Any such notice shall be deemed to have been received:

(a) if delivered personally, at the time of delivery; and

(b) in the case of pre-paid special delivery, 48 hours from the date of posting.

13. **ENTIRE AGREEMENT**

Each party acknowledges and agrees with the other party that:

(a) this Agreement together with any documents referred to in it constitutes the entire Agreement and understanding between the Consultant and the Company;

(b) in entering into this Agreement neither party has relied on any Pre-Contractual Statement; and

(c) the only remedy available to either party for breach of this Agreement shall be for breach of contract under the terms of this Agreement and it shall have no right of action against any other party in respect of any Pre-Contractual Statement. Nothing in this Agreement shall, however, operate to limit or exclude any liability for fraud.

14. **VARIATION**

No variation of this Agreement shall be valid unless it is in writing and signed by or on behalf of each of the parties.

15. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which, when executed, shall be an original, and all the counterparts together shall constitute one and the same instrument.

16. **THIRD PARTY RIGHTS**

16.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement and no person other than the Consultant, the Company, Group Companies and the Supplier shall have any rights under it.

16.2 The terms of this Agreement or any of them may be varied, amended or modified or this Agreement may be suspended, cancelled or terminated by Agreement in writing between the parties to this Agreement or this Agreement may be rescinded (in each case), without the consent of any third party.

17. **GOVERNING LAW AND JURISDICTION**

17.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

17.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter.

This Agreement has been signed for and on behalf of the Parties the day and year written above.

Signed by)
for and on behalf of)
London Bus Services Limited)

Signature [redacted] Mike Welton

Print name and position Operations Director

Date 22.05.11

Signed by)
for and on behalf of)
Heatherwick Studio Limited)

Signature [redacted]

Print name and position THOMAS HEATHERWICK DIRECTOR

Date 16.05.11

WITNESS [redacted]

Schedule 1: Services

1. Purpose

The role of the Consultant is to act as an independent advisor to the Company to ensure that the development and evolution of the design of the exterior and interior look and feel of the New Bus for London remains true to the original vision and objective of the Mayor's requirements for an iconic bus. The Consultant will provide advice, guidance and styling proposals that may lead to development of the Supplier's styling solutions for the exterior and interior of the vehicle and for the purposes of this Agreement "styling proposals" shall not extend to execution or detailed engineering design.

2. Design responsibility and ownership

The Consultant will take the lead in providing advice and guidance on styling to the Company and may initiate ideas for further development by the Supplier, either directly with the Supplier or through the Company. At all times, the responsibility for the design and development of the New Bus for London remains with the Supplier under the terms of the contract between the Company and the Supplier. Any advice practical or material assistance provided by the Consultant is subject to the terms of this agreement.

3. Engagement and reporting

The Consultant will be engaged by and report to the Company and report to the Company's Representative and work alongside the Company's project team and with the Supplier's design team.

4. Authority

The Consultant does not have any direct executive project authority, and cannot authorise material design changes that have an impact on cost and/or time. In order to ensure control of Design and Development and future unit costs, any proposed changes shall be subject to agreement with the Company's project team and be subject to the formal change control process described in the contract for New Bus for London between the Company and the Supplier.

5. Operational methodology

5.1. The Consultant will attend project design review meetings and any other such working meetings as may be necessary. The Consultant's

advice, guidance and styling proposals will be considered by the Company and will be used to influence where appropriate the ongoing evolution of the styling and design.

5.2. Where appropriate and with the Company's project team's authority and with the agreement of the Supplier, the Consultant will work on certain aspects or components of the styling or design of the New Bus for London directly with the Supplier's design team, providing advice and guidance on styling ideas and concepts, reviewing proposals and the outputs from modelling and similar activities.

5.3. Work will in general be carried out in London, England, either at the Consultant's premises or the Company's premises or in the Supplier's premises in Ballymena, Northern Ireland but may also be carried in any location appropriate to the issue under consideration.

6. Scope

6.1. External styling

The Consultant shall advise and, where appropriate, provide styling proposals on the external appearance of the vehicle based on the initial work prepared by the Supplier. This includes the external bodywork to the front rear sides and roof of the vehicle including the glazing and windows.

6.2. Internal styling

The Consultant shall advise and, where appropriate, provide styling proposals on the internal appearance and features of the vehicle based on the detailed work prepared by the Supplier when this becomes available.

6.3. Workshop production

The Consultant shall, where appropriate, produce sketches, working maquettes and prototypes to support the design and styling advice described in this Agreement.

6.4. Exclusions to scope

The following areas are out of scope of this Agreement

- Chassis design
- Engine systems
- Drive train and suspension systems
- Electrical and mechanical systems (including but not limited to)
    - Heating & cooling
    - Door controls
    - Ticketing & information provision
- Functional layouts
- Driving instrumentation and controls

6.5. Without prejudice to the provisions of clause 3.7 of this Agreement:

6.5.1. any evolution of the styling and design proposed or initiated by the Consultant must not breach the project milestones or exceed the project budget for that element of the project without the express approval of the Company and only after the due change control process has been followed;

6.5.2. the impact of any styling and design proposal must be assessed for both the design and development phase as well as the production vehicle unit cost. The Consultant shall be mindful of the affordability criteria for the New Bus for London and the sensitivity of this to the unit cost; and

6.5.3. Any work that the Consultant produces must meet the requirements of the technical specification for the vehicle with particular regards to deliverability robustness duty lifecycle and comply with all relevant regulations. As far as practicable generally available proprietary components and materials shall be used.

6A Scope of Stage 2 Work

6A. 1 The Consultant shall undertake a second stage of work which will be primarily a design support and overseeing role in respect of the final development and production of the first production model of the New Bus for London, the exact scope of which will depend entirely on the final design outputs and prototypes provided to the Consultant by the Supplier. The purpose of this role is primarily to ensure a consistent and high quality implementation of the chosen design theme.

6A.2 The main focus of the Consultant's work in the second stage will be up to and including the milestone of proving vehicle and the completing proving testing (i.e, through the detail design phase). The foregoing shall include design review conducted in close collaboration with the Supplier.

6.A.3 Thereafter, the Consultant's work in the second stage will be more limited, including an overseeing role involving regular on site visits and conference call reviews in order to maintain continuity of the design theme and such other assistance as may be reasonably requested by the Company or the Supplier to assist and ensure the implementation of the design theme and the delivery of certified production vehicles.

7. New Bus For London Project Milestones

The Consultant shall provide the services in a timely manner to support the achievement of the milestones included in the contract between the Company and the Supplier and the project plan agreed between the Company and the Supplier as amended from time to time. The initial contract milestones are shown in Schedule 2.

8. Selection Process

8.1 In accordance with any timetable agreed between the parties, in respect of each relevant design aspect the Consultant shall provide to the Company the Proposed Design Outlines for review against the specification and other requirements of the Company that have been communicated to the Consultant.

8.2 The parties anticipate that on or around the same time as the Consultant provides the Proposed Design Outlines in accordance with Section 8.1 above, the Consultant shall make a presentation to the Company at such time and place as shall be agreed between the parties in respect of the Proposed Design Outlines.

8.3 In each case and without prejudice to the provisions of clause 8 of this Agreement, if the Company approves of a Proposed Design Outline (or a composite of parts of a number of Proposed Design Outlines) following such presentation, the Consultant shall (upon receipt of written confirmation of such approval) prepare and produce the Final Design Intent Materials based on such approved Proposed Design Outlines and shall send the same to the Company.

Schedule 2: New Bus for London Contract Milestones

Milestone Number	Description	Date
0	Approval of baseline project plan and stage approval process (including dates for intermediate approvals).	End January 2010
1	Detailed design – delivery of mock-up phase final design.	End January 2010
2a	Approval of GA drawing.	End January 2010
2b	Approval of front & rear end styling pack.	End January 2010
3a	Delivery of basic layout validation static mock-up stage 1.	End May 2010
3b	Delivery of "dressed" static mock-up stage 2 to London (or agreed location within UK).	End September 2010
4a	Approval of Stage 1 mock up to proceed with Stage 2 and proving vehicle.	End June 2010
4b	Detailed design - approval of proving & prototype vehicle specification and design.	
4c	Approval of front and rear end styling mock ups to proceed to Stage 2 mock up.	
5	Completion and delivery of proving vehicle	January 2010
6	Completion of proving testing.	April 2011
7	Delivery of certified prototype vehicle to LBSL to an agreed location in London.	October 2011
8	Completion of prototype vehicle road and route testing in London.	December 2011
9a	First vehicle inspection	October 2011
9b	Fifth vehicle inspection in build.	May 2012
9c	Delivery of 5 certified production vehicles in full operational service specification.(Milestone based on the date of delivery of Vehicle No.5)	June 2012
10	Residual payment after completion of delivery of initial batch of 5 vehicles in Milestone 9	October 2012

Schedule 3: Fees

Stage 1 - Design principles £50,000
Billing date: Feb 2010

Stage 2 - Exterior styling £85,000
Billing date: end Feb/early March

Stage 3 - Interior styling £150,000
Billing dates: Four equal instalments, one in each of March, April, May and June 2010

[Workshop fees (across all stages of the project) £15,000
Billing dates: Five equal instalments, one in each of February, March, April, May and June 2010.] [NOTE – to be clarified]

Fees for further work incorporated by variation

Total fees for further work described in paragraph 6A of Schedule 1 are fixed at £127,500, broken down as follows:

Design support and monitoring up to delivery of proving vehicle: £15,000.00 per months for 6 months

Monitoring up to delivery of certified prototype: £4,687 per month for 8 months

In addition to the total fees above the fees may include the Consultant's prototyping costs, not to exceed £15,000 (and provided that such fees are first agreed in writing with the Company).

Provided always that the amounts set out above are the total amounts payable by the Company such that if any given stage or milestone is extended beyond the dates set out above the obligations of the Consultant shall continue and no further payment shall be due in respect of that stage or milestone.

Schedule 4:
Extract from Contract Between The Company and The Supplier (Contractor) Re IPR

"Background Intellectual Property"	has the meaning set out in Clause 28.1;
"Exterior Features"	has the meaning set out in Clause 28.4;
"Exterior Features Intellectual Property"	has the meaning set out in Clause 28.4;
"Foreground Intellectual Property"	has the meaning set out in Clause 28.2;
"**Intellectual Property**" or "**Intellectual Property Rights**"	any and all patents, business processes, copyrights, data and database rights, software (including source code and object code), design rights, trade marks, trade names, service marks, service names, moral rights, Know-How or any other similar proprietary right whether registered or unregistered and including applications for the grant of any such rights arising or enforceable under the laws of the United Kingdom, any other jurisdiction anywhere in the world, or any bi-lateral or multi-lateral treaty regime;
"Interior Features"	has the meaning set out in Clause 28.3;
"Interior Features Intellectual Property"	has the meaning set out in Clause 28.3;
"Marks"	the Contractor Marks and the Company Marks;
"Rear Platform Intellectual Property"	has the meaning set out in Clause 28.6.2.

28. **INTELLECTUAL PROPERTY**

28.1 Notwithstanding anything to the contrary expressed or implied in this Contract (save to the extent that the provisions relating to Interior Features Intellectual Property, Exterior Features Intellectual Property and/or Rear Platform Intellectual Property at Clauses 28.3, 28.4 and 28.6.2 are relevant), each Party and its

licensor(s) are and shall remain the sole and exclusive owners of all rights, title and interest in and to such Party's Background Intellectual Property. "**Background Intellectual Property**" means any and all Intellectual Property developed, used, acquired or licensed by a Party or its affiliates (i) before the Effective Date of this Contract, or (ii) at any time, whether before, during or after the term of this Contract, which is not conceived, reduced to practice or otherwise made or developed under and pursuant to this Contract and shall include any Intellectual Property identified as Background Intellectual Property of that Party in Schedule 11. In respect of Background Intellectual Property, the Parties agree that:

28.1.1 the Contractor shall be entitled to designate certain Background Intellectual Property as being of such importance that it shall not be disclosed to any other third party provided always that (i) the Company (acting reasonably) agrees in writing with such designation (and for the avoidance of doubt the Contractor so designates, and the Company so agrees, that Background Intellectual Property in paragraph 2 of Schedule 11 as such), (ii) a description of the relevant Background Intellectual Property and the fact that it shall be confidential is included at Schedule 11, and (iii) such Background Intellectual Property does not form part of (nor is necessary for the exercise of the rights in) the Interior Features Intellectual Property, Exterior Features Intellectual Property and/or Rear Platform Intellectual Property;

28.1.2 all rights in Intellectual Property of a Party not expressly granted to the other Party under this Contract are reserved by such Party (or its licensors) and no additional or other rights (including without limitation implied licences) are granted to the other Party under this Contract;

28.1.3 the Contractor shall ensure that any Background Intellectual Property which belongs to a third party and which is licensed to the Contractor amongst other things for the purposes of its performance of this Contract or otherwise utilised by the Contractor for those purposes by

agreement with the owner of such rights shall be licensed or used on such terms that permit the Company to use such rights for the purposes set out in this Contract; and

28.1.4 the Contractor shall only use the Company's Background Intellectual Property for the purpose of performing this Contract and for no other purpose whatsoever.

28.2 With the exception of Exterior Features Intellectual Property and Interior Features Intellectual Property (which shall be owned by the Company and is dealt with at Clauses 28.3 and 28.4 below) and Rear Platform Intellectual Property (to the extent that it contains any Foreground Intellectual Property) all Intellectual Property Rights created in connection with the design, manufacture and supply of the Vehicles and Spare Parts under this Contract (and which therefore, and solely for the avoidance of doubt, excludes any and all Background Intellectual Property), ("**Foreground Intellectual Property**") will be the sole and exclusive property of the Contractor, including all rights to obtain, register, perfect and enforce Intellectual Property Rights but subject to the provisions of this Contract. The Parties agree that:

28.2.1 the Contractor will ensure that at all times it provides to the Company copies of all drawings, technical information and other documentation evidencing and comprising the Foreground Intellectual Property;

28.2.2 the Contractor will ensure that any and all Foreground Intellectual Property which is created and/or owned by a third party is assigned to the Contractor at the time of or as soon as possible after creation;

28.2.3 the Contractor is entitled to use the Foreground Intellectual Property in vehicles or parts supplied to third parties other than under or pursuant to this Contract. The Contractor acknowledges that the Foreground Intellectual Property has been or will be developed with the assistance of funds paid by the Company pursuant to this Contract. The Contractor and the Company have therefore agreed that if the Contractor intends to use or uses the Foreground Intellectual Property to design for and/or

supply vehicles or parts to a third party other than pursuant to this Contract (a "**Third Party Product**"), then the Contractor shall only use the Foreground Intellectual Property for that purpose:

28.2.3.1 with the prior written consent of the Company (such consent not to be unreasonably withheld or delayed); and

28.2.3.2 on condition and subject to the Contractor paying to the Company an amount (by way of royalty or otherwise) which reflects a fair and reasonable sum in the context of the proposed use of the Foreground Intellectual Property to reimburse the Company for its contribution to the development cost of the Foreground Intellectual Property in issue. It is agreed that it shall be reasonable for the Company to withhold consent under Clause 28.2.3.1 unless and until the amount or calculation of the amount payable to the Company under this Clause 28.2.3.2 has been agreed or determined;

28.2.4 in the event that any third party infringes or threatens to infringe the Foreground Intellectual Property then the Contractor shall be responsible at its own expense for bringing such timely action as necessary to enforce or protect the Foreground Intellectual Property including by commencing court action. Without prejudice to the foregoing, in the event that the Contractor does not take any such action then the Company shall be entitled to do so and the Contractor shall grant all such rights and give all such assistance to the Company as necessary to enforce or protect such rights; and

28.2.5 the Company agrees and acknowledges that the Company has no rights to use the Foreground Intellectual Property except as provided in this Contract.

28.3 The Contractor acknowledges that the Interior Features will be designed and fitted out in accordance with requirements specified

by the Company and that all Interior Features Intellectual Property will be the sole property of the Company and shall not be used by the Contractor except for the production of Vehicles in accordance with this Contract. The Contractor shall ensure that all relevant rights (whether created or owned by the Contractor or by a third party including, for the avoidance of doubt, any such Intellectual Property Rights created and/or owned by an external design company) are assigned to the Company upon creation or as soon as possible thereafter to give effect to this clause. "**Interior Features**" means those elements of the visible interior design of the Vehicles (including the overall internal layout, seating positions, fittings, "look and feel" and branding) that are original and distinctive (meaning not commonplace in the relevant design field). "**Interior Features Intellectual Property**" means any and all Intellectual Property irrespective of whether or not it contains Foreground Intellectual Property or the Contractor's Background Intellectual Property and as may be developed, used, acquired or licensed by the Contractor in relation to the Interior Features.

28.4 The Contractor acknowledges that the Exterior Features will be designed in accordance with requirements specified by the Company and that all Exterior Features Intellectual Property will be the sole property of the Company and shall not be used by the Contractor except for the production of Vehicles in accordance with this Contract and the Contractor shall ensure that all relevant rights (whether created or owned by the Contractor or a third party including, for the avoidance of doubt, any such Intellectual Property Rights created and/or owned by an external design company) are assigned to the Company upon creation or as soon as possible thereafter to give effect to this clause. "**Exterior Features**" means those elements of the visible exterior design of the Vehicles (including the overall shape, form and configuration and constituent parts thereof) that are original and distinctive (meaning not commonplace in the relevant design field). "**Exterior Features Intellectual Property**" means any and all Intellectual Property irrespective of whether or not it contains Foreground Intellectual Property or the Contractor's Background Intellectual Property and as may be developed, used, acquired or licensed by the Contractor in relation to the Exterior Features.

28.5 The Contractor agrees that it shall not provide (or grant the rights to manufacture to any third party) any parts or materials to any third party where the intention or effect is to manufacture a Third Party Product (as defined in Clause 28.2.3) which in the Company's reasonable opinion creates the same overall impression as (or which has elements that are similar to elements of) the Vehicles. In the event that any third party infringes any of the Company's rights in Exterior Features Intellectual Property and/or Interior Features Intellectual Property, the Contractor shall give all such assistance (at the Company's expense) as the Company shall reasonably require in order to protect or enforce such rights.

28.6 It is understood and agreed between the Parties that in the event that the number of Vehicles delivered to the Company and/or a Vehicle Operator by the Contractor pursuant to this Contract exceeds 1,000 (one thousand) the Company is entitled to appoint a third party to manufacture any such additional vehicles. The Contractor shall license such rights and do such other acts or things necessary to enable third parties to manufacture such additional vehicles and carry out the Future Operations set out at Clause 28.6.1 below. To give effect to the foregoing, on delivery of the 1,000th Vehicle to the Company and/or a Vehicle Operator, the Contractor shall, with effect from such delivery, grant to the Company (for such period as the Company requires) a non-exclusive, royalty-free, irrevocable, worldwide licence (which shall include the right to sublicense all of the following rights to Vehicle Operators or other third parties and/or their respective sub-contractors) to use:

28.6.1 the Foreground Intellectual Property to the extent necessary in order for the Company and/or such third parties as the Company shall specify to:

28.6.1.1 manufacture and supply vehicles complying with the Specification (as modified from time to time and which, for the avoidance of doubt, includes vehicles incorporating the Interior Features and Exterior Features) to the Company and/or Vehicle Operators;

28.6.1.2 manufacture and supply spare parts for Vehicles and vehicles manufactured and supplied pursuant to Clause 28.6.1.1 to the Company and/or Vehicle Operators;

28.6.1.3 operate, maintain and service the Vehicles and vehicles manufactured and supplied pursuant to Clause 28.6.1.1; and

28.6.1.4 to produce such duplicate tooling necessary for the purposes of Clauses 28.6.1.1 to 28.6.1.3,

together referred to as the "**Future Operations**" for the purpose of this Clause 28; and

28.6.2 (notwithstanding any of the provisions at Clause 28.6.1) the Rear Platform Intellectual Property in order for the Company (and/or such third parties as the Company shall specify) to carry out the Future Operations irrespective of whether or not Rear Platform Intellectual Property contains Foreground Intellectual Property and/or Contractor's Background Intellectual Property (other than that specified in paragraph 2 of Schedule 11). "**Rear Platform Intellectual Property**" means any and all Intellectual Property developed, used, acquired or licensed by the Contractor in relation to the design of the rear opening platform and, solely to the extent designed for the Vehicles, the powered doors of the Vehicle,

and the Company may assign such rights in this Clause 28.6 as specified above to any nominee or successor.

28.7 In the event that the rights granted by the Contractor under Clauses 28.6.1 and 28.6.2 are insufficient to enable such third parties as are approved by the Company to manufacture the Exterior Features and Interior Features of the Vehicles then the Contractor shall license such further rights and do such other acts or things necessary (including licensing such of the Contractor's Background Intellectual Property as may be necessary with the exception of that specified in paragraph 2 of Schedule 11) in order to allow the manufacture of the Exterior Features and Interior Features in order that the design and overall impression created is

the same as for the Vehicles. For the avoidance of doubt, provided that the foregoing is satisfied (and other than as set out elsewhere in this Clause 28) the Contractor shall not be required to licence its Background Intellectual Property.

28.8 In addition to the licence referred to at Clause 28.6 above and to enable third parties to manufacture Vehicles complying with the Specification (as from time to time modified) and to carry out the Future Operations detailed in Clause 28.6.1 the Contractor will provide the Company and third parties nominated by the Company with copies of the Operating Information (including appropriate details relating to the Exterior Features and Interior Features) and such drawings and other technical information and assistance as the Company specifies or as is reasonably required to enable the Company to carry out a tendering process for the provision of additional Vehicles and for the Company and such third parties to carry out the Future Operations detailed in Clause 28.6.1.

28.9 The Contractor shall ensure that any Intellectual Property Rights which belong to a third party and which are licensed to the Contractor among other things for the purposes of its performance of this Contract or otherwise utilised by the Contractor for those purposes by agreement with the owner of such rights shall be licensed or used on such terms that permit the Company to use such rights for the purposes set out in Clause 28.6.

28.10 Any and all sums paid to third parties in respect of the use of any Intellectual Property Rights connected with the performance of the Contractor's obligations under this Contract shall be paid by the Contractor.

28.11 Subject to the terms of Clause 28.7 and this Clause 28.11, the Contractor hereby grants to the Company and Vehicle Operators (and third parties licensed in accordance with Clause 28.6) a non-exclusive, right and licence to use the Operating Information and any modifications made by the Contractor thereto, for the purposes of producing, maintaining, operating and repairing Products. The Company may copy, modify, create enhancements, or create derivative works of the Operating Information or any part thereof, without the Contractor's prior written consent.

28.12 The Contractor hereby (subject to the provisions of Clause 20.6) grants to the Company a perpetual, non-exclusive, transferable and royalty-free licence under the Contractor's interest in the Performance Data to use any Performance Data learned by the Company (which, for the purpose of this Clause 28.12 shall include use by the Company Affiliates and the UK Government (including the Department for Business, Innovation and Skills), as may be reasonably necessary in the context of the purposes of this Contract.

28.13 In respect of the use of trade marks:

28.13.1 the Company agrees to allow the Contractor to place identifying Contractor Marks (including decals) on an exterior side of each Vehicle. The Parties shall mutually agree in writing on the placement and size of the Contractor Marks to be affixed on each Vehicle;

28.13.2 the Contractor shall not use Company Marks without the express written permission of the Company (which may be withheld for any reason whatsoever). In the event that such permission is granted the provisions of this Clause 28.13 shall apply (in addition to any further provisions detailed at the time of such approval and grant of rights);

28.13.3 the Contractor permits the Company to use Contractor Marks in such manner as the Company reasonably requires on a royalty free, non-exclusive, transferable basis for the purpose of publicity and marketing bus services in London and for other purposes ancillary to the operation of the Vehicles (including as may be required under Clause 28.13.4 below);

28.13.4 the Contractor permits the Company to use the Foreground Intellectual Property for the purposes of producing and/or selling and/or licensing for production and sale likenesses of the Vehicle including merchandising such as greetings cards and model vehicles;

28.13.5 as between the Company and the Contractor, each Party acknowledges that the other Party is the owner of their respective Marks and all Intellectual Property Rights

therein and goodwill associated therewith, and each Party agrees to do nothing inconsistent with such ownership;

28.13.6 either Party, at its discretion, may terminate its respective trademark licence (to the extent granted by either Party under this Clause 28.13) if at any time such Party determines that the other Party is using the such Party's Marks in a manner that violates such Party's then in effect trademark policy. Neither Party will attempt to register or adopt or use the other Party's Marks, or any name, design or symbol confusingly similar thereto, as part of or in connection with such Party's business, and will not include the other Party's Marks in any design, symbol, product, service, letterhead, business card or other means of identification. Promptly following termination or expiration of this Contract for any reason, each Party shall take all actions necessary to transfer and assign to the other Party all rights, title and interest in and to the other Party's Marks and goodwill related thereto which such Party may have acquired as a result of this Contract and shall promptly discontinue all uses of the other Party's Marks. Each Party shall cooperate (at the other Party's expense) with the other Party if the other Party (or its licensors) wishes to register its respective Marks in any jurisdiction, including without limitation execute appropriate documents and provide other reasonable assistance which the other Party (or its licensors) may reasonably require to that end;

28.13.7 the Contractor acknowledges that the name by which the Vehicles will be known will be determined by the Company and will be the Intellectual Property of the Company and that the Contractor will have no right to use that name except in relation to the performance of this Contract and in particular but without limitation the Contractor shall not use that name in conjunction with any vehicles or parts produced for any third party including any Third Party Product (as defined in Clause 28.2.3).

28.14 The licences set out in this Clause 28 shall survive any termination or expiration of this Contract.

Extract from Contract Between The Company and The Supplier (Contractor) Re IPR (continued)

SCHEDULE 11

BACKGROUND INTELLECTUAL PROPERTY

1. **The Company's Background Intellectual Property Rights**

1.1 Specification.

1.2 Rights in the designs and copyrights and any other intellectual property rights created during the design competition.

1.3 Company Marks.

2. **The Contractor's Background Intellectual Property**

NON-DISCLOSEABLE BACKGROUND INTELLECTUAL PROPERTY

2.1 The "Alumique" structure and the programming and logic behind the Wrightbus driveline and the composite materials technology proprietary to Wrightbus.